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3. ADDA		4-24
4. DDA (for signature)		4/24
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Date

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2.		
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5. DDA	<i>m/h</i>	4/22

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REMARKS

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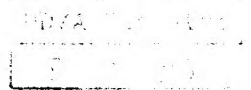
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EXCOM 81-9006



20 April 1981

MEMORANDUM FOR: Executive Committee Members

FROM : Robert M. Gates
Director, DCI/DDCI Executive Staffs

FILED 100 (EXCOM)

SUBJECT : Minutes of Executive Committee Meeting, 15 April 1981 (U)

1. The Executive Committee met on 15 April 1981 to review three personnel issues: Merit Pay, the Annual Personnel Plan and Report (APP/APR), and the Agency Vacancy Notice System. Admiral Inman chaired the session; other participants included Messrs. McMahon (D/NFAC); Hugel (DDA); Stein (Acting DDO); Taylor (ADDS&T); Lipton (Compt.); Ware (D/EEO); Briggs (IG) [redacted] (Deputy GC); Hineman (DD/NFAC); and Fitzwater (D/OPPPM). In his introductory remarks, Admiral Inman said that he thought the Executive Committee would be a valuable mechanism for candid exchanges of views that would facilitate decisionmaking. He and the DCI have agreed that the DDCI will be the operating head of the Committee and will advise the DCI when he should become involved in Committee deliberations.

2. Merit Pay. Mr. Fitzwater noted that the Agency was exempt from the merit pay provisions of the Civil Service Reform Act (1978). After outlining the main features of the system, he highlighted his office's findings to date on the potential advantages and disadvantages of merit pay for Agency GS-13s-15s. He recommended that the Agency not adopt merit pay at this time and that his office monitor and report periodically on merit pay systems in other government agencies to have a basis for reconsidering this issue in another year.

3. Admiral Inman solicited members' views. Mr. Lipton opposed merit pay because it provided no latitude for mistakes while the risk of mistakes was very high. Messrs. Stein, Hugel, Briggs, Ware and [redacted] also noted their strong opposition. Mr. Taylor asked if there were a way to salvage some facet of the system to recognize high performers with awards without denying anyone portions of comparability pay increases. Admiral Inman suggested that "enthusiastic" use of existing QSIs and cash awards could serve that purpose. Mr. McMahon said that he agreed with the above views but preferred reaching a more definite decision than that contained in OPPPM's recommendation. Given the unanimous advice of the Committee, Admiral Inman concluded that the Agency will not adopt a merit pay system for GS-13s-GS-15s. If the future experience of other agencies with merit pay systems indicates this issue should be reopened, the DDCI would consider such a proposal.

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4. Annual Personnel Plan and Report. Mr. Fitzwater highlighted the rationale for developing the APP (Career Service personnel goals) and the APR (annual evaluation of accomplishments toward those goals) and the Agency's subsequent experience with them. Noting the lack of enthusiasm among Agency managers for the APP/APR process, he questioned whether their minimal use of the resulting data justified the resources expended in generating them.

5. Admiral Inman asked for Committee opinions regarding the utility versus the cost of the APP/APR and for suggestions on possible alternatives. Messrs. McMahon, Stein and Lipton acknowledged the need for some means that would require Agency managers to focus on managing their human resources but noted that the APP/APR had become a statistical exercise delegated to subordinates. Mr. Ware observed that the APP/APR were inconsistent with the Agency's Affirmative Action Plan and EEO Plan and that he found APP promotion goals based on race and sex appalling. Noting that people account for one-third of the Agency's resources, however, he emphasized the need for effectively planning the use of those resources. Messrs. [REDACTED] Taylor, and Hugel said that they did not find the APP/APR useful. Mr. Briggs reviewed former DCI Colby's original objectives in requiring the APP/APR, supported the concept of applying discipline to the process of managing human resources, but concurred that the APP/APR had become a statistical exercise with little value.

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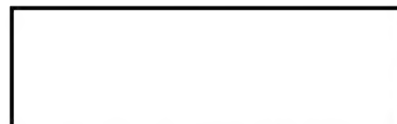
6. Admiral Inman noted that he had some fundamental questions about the Agency's personnel system, including how consistency and equity are achieved across the Agency. He said that he refuses to accept quotas for promotions and believes in promotion on the basis of merit and a fair distribution of talent throughout the Agency. He concluded that the APP/APR have outlived their usefulness and should be discontinued. He tasked the Executive Committee Staff and OPPPM to identify alternative ways to promote effective personnel planning and to assist the DCI/DDCI in "getting a handle on" the Agency's personnel management system.

7. Mr. Briggs cautioned against developing too rigid a system in pursuing uniformity across directorate lines. Admiral Inman noted that he has found at least three career tracks usually cross organizational boundaries--clerical, management and technical. He observed that the agency may have others as well. He concluded that personnel planning would need to be reviewed again, should be addressed from the top, and the Executive Committee should participate in the process.

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8. Vacancy Notices. Mr. Hugel requested a review of the Agency-wide vacancy notice system because of his concern about the critical personnel shortage in the Office of Communications, currently 77 people under strength. He proposed a delay in re-instituting the system until 1 June; an extension of the mandatory release time of an employee selected for a vacancy from six weeks to ninety days; and a requirement that employees remain in a position for a minimum of one year or, if they have received six months or more of component training, a minimum of two years. He also expressed the view that when employees respond to vacancy notices for rotational tours, their exit from and reentry to their home Career Services should be negotiable. During the ensuing discussion, Messrs. Lipton and McMahon favored requiring some commitment of time from employees who receive component training. Mr. Taylor expressed support for the vacancy notice system, noting that manipulating it would not be an appropriate solution to the Office of Communications' grade structure problem. Mr. Ware also supported the vacancy notice system as a means of providing opportunities to employees and assisting managers in obtaining the best people possible. He noted that Agency morale plummeted when the hiring freeze necessitated suspending the system. Mr. McMahon also favored the vacancy notice system but pointed out that the needs of the service must sometimes take precedence. Members also noted that rotational tours were negotiable. Mr. Hugel pointed out that he was not opposed to the vacancy notice system as some seemed to think, but was asking for certain modifications to a system that presently is making a critical personnel problem even worse. Admiral Inman concluded that he needed more information on the vacancy notice process and deferred any decision on this issue. He adjourned the meeting.



Robert M. Gates

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cc: D/OPPPM